

Karnataka contingency Fund (Amendment) Bill, 1981.

MR. SPEAKER.—Now we will take up further discussion on Contingency Bill.

SRI A. LAKSHMISAGAR.—Sir, the Contingency Fund as propagated under Article 267 (2) of the Constitution of India reads thus :

“The Legislature of a State may by law establish a Contingency Fund in the nature of an imprest to be entitled “the Contingency Fund of the State” into which shall be paid from time to time such sums as may be determined by such law, and the said Fund shall be placed at the disposal of the Governor of the State to enable advances to be made by him out of such Fund for the purposes of meeting unforeseen expenditure pending authorisation of such expenditure by the Legislature of the State by law under article 205 or article 206.”

(SRI H. T. KRISHNAPPA in the Chair)

Sir, this makes clear that the amounts that are placed by law into the Contingency Fund of the States are to be used to enable advances to be made for meeting the unforeseen expenditure. This contingency fund is in the nature of imprest money. Now, what is imprest money? According to the concise Oxford Dictionary it means, “Money advanced to person to be used in State business.” This is the position. Then, sir, let us have a look at the manner in which the corpus of the contingency fund in the State has been raised from time to time. Sir, in 1957 the corpus of contingency fund raised was Rs. One crore. It was raised to Rs. 2 crores subsequently, in 1958 and in 1965 it was raised to Rs. 4 crores. Later on, it was raised to Rs. 20 Crores. Now it is sought to be raised to Rs. 35 crores i.e., Rs. 15 crores more than what we have already had under the Contingency Fund Act. This is a short background of the manner in which the corpus of the fund has been raised from time to time from 1957 to 1980—from Rs. 1 crore to Rs. 35 crores. This is the position.

Sir, the Hon'ble Minister in the explanatory note appended to the Bill has said ;

“Ever since the last recoupment to the fund after passing of supplementary demands in February, 1980, a sum of Rs. 17.50 crores was advanced from the Contingency Fund leaving a balance of Rs. 2.50 crores as on 1st October, 1980.”

Sir, I should like to know from the Hon'ble Minister that the Supplementary Demands were passed by this House in February, 1980. At that point of time the corpus of the contingency fund was raised to Rs. 20 crores. The House sat till 31st July, 1980. So, from July, August, September and October all 20 crores were spent and only Rs. 2½ crores were available in the fund as on 1st October, 1980. Thereafter, the Ordinance was issued providing for expenditure of a sum of Rs. 35 crores. Sir, you will see the entire gamut of the use of moneys is Rs. 20 plus 35 Crores. So, I should like to know from the Hon'ble Minister what is the present position and how much money is there in the Contingency Fund as on 31st December, 1980, so that it can be of some hints to me to advance my further submissions.

SRI K. BHASKAR NAIDU.—Sir, I was not able to get to even a cup of coffee here. We have been taken for a ride.

CHAIRMAN.—I am sorry. Proper arrangements will be made hereafter.

SRI K. BHASKAR NAIDU.—Sir, you have to change your attitude regarding this.

CHAIRMAN.—I take note of your grievances and difficulty and see that arrangements are made.

SRI K. BHASKAR NAIDU.—This has been the promise for the last three years. I am a diabetic patient. I have taken insulin. I came in the afternoon. I do not have even a cup of coffee... It upsets my health and temperament also. As a Legislator, some rights are provided to me. It cannot be snatched away from me. You have got to look into it.

CHAIRMAN.—I will see that arrangements are made. Please bear with me. I will see that coffee is supplied to you within five minutes.

SRI M. VEERAPPA MOILY.—The hon. member Sri Lakshmisagar wanted to know how much money is there in the contingent fund. It is only Rs. 4 crores as of today.

CHAIRMAN.—Sri Lakshmisagar said Rs. 20 crores have been spent out of contingency fund and again after Ordinance, Rs. 35 crores. That means, whether it is 20 plus 35 Crores or 20 plus 15 crores?

SRI A. LAKSHMI SAGAR.—It is 20 plus 35 crores i.e. 55 crores.

CHAIRMAN.—Okay, the Minister will reply. Please carry on.

SRI A. LAKSHMI SAGAR.—That is why I said when supplementary demands were passed in February, 1980 the moneys that were drawn from the contingency fund were too big. Now the corpus of the contin-

gency fund which was Rs. 20 crores. Thereafter by 1st October they had only Rs. 2½ crores at their disposal. Thereafter, Ordinance has been issued providing for rising the corpus of the fund to Rs. 35 crores. Out of this money, how much remains after spending, is the question. The Hon'ble Minister says, it is Rs. 4 crores as of today. Then the question would be, what is the total amount that has been spent out of the contingency fund for various purposes. I will come to it a little later.

Recoupment of the fund is done by submitting supplementary demands to the Legislature from time to time. Sir, the Assembly adjourned *sine die* on 31st July, 1980. If on 1st October, 1980 the funds in the contingency fund had been depleted to Rs. 2½ crores, what prevented the Hon'ble Finance Minister or the Government from summoning a Session of the Legislature and presenting to the Assembly the supplementary demands and satisfy the Assembly for the need for which the moneys were spent out of contingency fund and thereafter recoupment made?

4-30 P. M.

This is a point which the Hon'ble Minister must be able to answer. My complaint is that they did not want to call a session. The Constitutional obligation is there that between two sessions there cannot be more than six months gap. Here within that period Assembly session was called, i.e. only 3 days before the deadline provided for under the Constitution i.e. on 28th expired. For a period of full six months the Assembly was not called for and supplementary demands were not submitted to the Assembly. If the Assembly meets often they could have got the supplementary demands passed and money recouped. If this was done there would have been no need for the Hon'ble Minister or the Government to raise the corpus of contingency fund to the extent of Rs. 35 crores. There is a noticeable reluctance on the part of the Government in facing the Assembly and explaining the reasons for expenditure towards unforeseen purposes which were not provided for under detailed items of expenditure in the budget. Sir, for your information, look at the manner in which the sittings of the Assembly were convened since 1972. In 1972 the Assembly sat for 82 days, in 1973 for 97 days, in 1974 for 73 days, in 1975 for 54 days, in 1976 for 63 days, in 1977 for 47 days, in 1978 for 46 days, in 1979 for 65 days and in 1980 for 66 days. There is a progressive reduction in the number of days the Assembly has been sitting since 1972. Why this reduction? Why don't you place the supplementary demands when the Assembly is in session? To call a session you need not wait for the expiry of six months period

There was more than one reason for calling the Session of the Assembly. The Speaker resigned his post and became a Cabinet Minister. The Deputy Speaker was not in a position to attend to the daily functions which devolved on her on the elevation of the Speaker as a Cabinet Minister.

CHAIRMAN.—Why do you say elevation?

SRI A. LAKSHMISAGAR.—Sir, it must be taken in a sarcastic sense. I have said that office of the Speaker has been devalued. I do not want to comment upon it. This is the position. So he does not want to convene the Session for passing the supplementary demands and get the moneys back into the corpus of the contingent fund. There has been a pattern. It is not as if Sri Veerappa Moily has thought of it for the first time. He has been continuing the tradition with all vigour and discipline. The ruling party does not give the honour that should be given to this House. Frequent sittings of the House are not adhered to. In Parliament whichever party is in power, they have been systematic in convening the Parliament atleast 3 times in a year. We are not doing that. The number of sittings has been reduced over the years. So, the point I am trying to make is that if the Government has at its disposal huge sums of money they need not convene the Assembly for passing the supplementary demands. I feel that if large sums of money is placed at their disposal. they can go on spending those money and there will be no need for convening the Assembly for the purpose of passing the supplementary demands. This is my submission.

Then, Sir, moneys from out of contingent fund are spent towards new service. This Constitution does not provide for expenditure on new service. As I read Clause (2) of Art. 267 the expression new service does not find a place and it has been there, what is this 'New Service'? It has been considered, Sir, by the Public Accounts Committee after having looked into the manner in which moneys were spent under the heading 'New Service'. The Public Accounts Committee in its wisdom made a report in the year 1967-69. They made a report and recommended to the Government about the criteria to be followed for the purposes of incurring expenditure on 'New Service'. Therefore Sir, I do not want to go into the details because the Public Accounts Committee has made several statements and commented upon the manner in which expenditure has been incurred under 'New Service' and ultimately they thought it wise to recommend to the Government the criteria to be borne in mind while incurring expenditure on 'New Service'. Now after the report was received and placed on the Table of the House and accepted by this

House the Government in its wisdom issued a Govt. Order No. FD 8 BPA. 9 Bangalore, dated 16th September, 1969. I only read one part of it.

"4. The Secretaries to Government and Heads of Departments are requested to see that expenditure on any item coming under 'New Service' not included in the Budget is not incurred without obtaining the specific approval of the Legislature in the form of Supplementary demands for grants. If need arises to incur additional expenditure over and above the existing provisions under any items or expenditure on items which are proposed to be treated as 'New Service' not contemplated in the Annual Budget Estimates the proposal should be made to the Finance Department through the Administrative Department with the following information.

(i) Why the expenditure could not be contemplated at the time of preparation of the Budget Estimates:

(ii) Why the expenditure cannot be postponed to the next year so that expenditure can be incurred after making necessary provision in the Budget.

Any lapse on the part of the Departments to bring to the notice of the Legislature items of expenditure on 'New Service' before the expenditure is incurred will be seriously viewed."

Sir, this is the operative portion of the Government Order. There after they added an Annexure to it. The Annexure contains a reference to 12 items of expenditure as Criteria to be adopted for treating an expenditure as 'New Service'. In detail, this has been the set up. I should like to know from the Hon'ble Finance Minister whether the Government Order has been followed in incurring expenditure on 'New Service' since he took over as Finance Minister in January 1980. This information I want from him. Then, what are the items of expenditure which come under normal 'New Service' or unforeseen expenditure? Sir, the Hon'ble Finance Minister and the Finance Departments must be wise enough and must be men of foresight to provide detailed items of expenditure having regard to the nature of work and the quantum of work to be done and the moneys required therefor. If this is done with a certain degree of foresight there would be no need for incurring expenditure over and above the sanctioned estimates. There may be cases and I do concede a situation that there may be cases where certain items of expenditure may exceed the budgeted items of expenditure. I agree with that.

But, it cannot be such a huge amount as to see that the Government comes into the picture with huge sums of money to be incurred by way of expenditure. My friend Sri Veerappa Moily yesterday was mentioning about two or three instances of new services or examples of expenditure on unforeseen situations. Such as floods and other things. He also mentioned about subsidy. I want to know from him was it not known to him when he presented the budget proposals last year or when he moved the supplementary demands in February 1980? It cannot be a new service by any stretch of imagination. I should like to know from him the items of expenditure called new services over which moneys were spent during the period he has been the Finance Minister? I should like to know from him at least, major heads. How much money the Central Government has got under the Contingency Fund of India? As on 31-3 1979, it had only Rs. 50 crores. I could not get the figures pertaining to subsequent years. It has Rs. 50 crores with a revenue tax of Rs. 8,673 crores. Our Revenue tax for the year 1980-81 is not more than Rs. 912 crores and what is the amount of money that you have under the contingency fund? What is the total picture that we get out of drawal of moneys from contingency fund to meet unforeseen expenditure? Sir, it is common knowledge, that when a man has more money in his hands, he thinks of spending more money than what he can afford to. Similar is the situation in the case of the Government also. I should like to know from the Hon. Minister for Finance, what is the total expenditure incurred towards the use of Helicopter by the Hon. Chief Minister during this period? According to my information it cannot be less than Rs. 2 crores. I am giving only one or two examples. Is it a new service? Is it a new item of expenditure which can be termed as an unforeseen expenditure? The Hon Chief Minister has been using the Helicopter ever since he became the Chief Minister in the month of January 1980. These moneys could have been incorporated in the detailed items of expenditure in the Budget itself and got the sanction of the House. Another instance I remember just now is, Rs. 20 lakhs has been granted on the spot towards the Chowdaiah Memorial Hall. I do not know whether the money has been paid, but I believe it must have been paid. Is it a new service? Is it a new item of unforeseen expenditure? Could this payment not have waited till the Supplementary Budget is presented to the House and got the sanction of the House? I only mention this because I remember them very distinctly and that is why I wanted the information about the items on which this huge expenditure has been incurred after drawing moneys from the contingency fund.

The other point is, there is total lack of foresight in providing adequate funds for expenditure under several major heads and minor heads of accounts at the time of presenting the detailed estimate of expenditure. I do not know whether it is a mistake with the Finance Department or the Finance Minister, who is the head of the Department. If that is so, sir, if I am earning Rs. 1,500-2,000, I estimate according to my salary and attempt to save something out of it. I will keep the so saved money for a rainy day. But, there does not appear to be any such idea working in the minds of the Finance Department. I can understand the unforeseen expenditure in respect of floods, tank bursting, canal bursting etc., nobody could have foreseen them. But, not on expenditure like outright and spot grant of Rs. 20 lakhs. They ask and you give on the spot itself Rs. 20 lakhs, 40 lakhs whatever may be the case. But, why can't you present it in the form of additional demands and take the sanction of the House? You are the master of the situation. Then sir, it is an indication-an inescapable indication of the manner in which moneys are being spent. It is a supreme example of spending-spree of the Government. Squandermania has visited the Government and particularly my friend Sri Veerappa Moily. If this trend continues, my submission is, I am afraid, it will lead to financial indiscipline and loss of control over finances and its managements. Then, I have already said, when supplementary demands are presented to recoup the amount and put them back into the contingency fund, the details of items of expenditure has got to be placed before the House. They have got to explain why such expenditure was to be incurred, and why it could not be totally avoided and why they could not spent in the normal course Sri Veerappa Moily was very careful in telling this House in his Budget speech in the year 1980, on page 36, paragraph 47,

“The proportion of non-development expenditure in Karnataka is rather high. So, effort must be made to bring it out from 31% to 25% over a period of 3 years”

What is the exercise my friend has made? I am only quoting you. If there has been any indication, there was no need to ask for the corpus for raising the contingency fund straightaway by 15 to 20 crores of rupees. I only quoted you. I do not want you to commit yourself one way or the other because you are going to prepare the budget proposals. I am only speaking in the context in which moneys are being spent without let or hindrance and without regard to any financial discipline. I should like to ask in all fairness, why you have come up before this House for raising the amount of the contingency fund from year to year or from 2 years or three years?

You take all the moneys available to you, put them in contingency fund. You have the brute majority. You can get anything passed. You can pass any financial bill if you think. You raise it. You need not mention the upper limit of the moneys under the contingency fund of Karnataka. At a given time, the Karnataka shall be vested with the contingency fund and therefore for expenditure towards unforeseen purposes. Is there any legal bar or constitutional bar to do like that? Why this drama of coming up before this House and asking for incremental enhancement of the corpus of the contingency fund? Why this exercise? The Government is wasting the precious time of the House compelling me to do so much of exercise in making a detailed submission to this House. It is all for no purpose. They have got the necessary majority to commit an expenditure as much as they want. With this brute majority, if they so desire, they can have the corpus of the contingency fund to the maximum so that they may avoid coming before this House for sanction.

Sir, the final point is, I am afraid, the finances of the State are not safe in the hands of the Government and particularly, the finances of the State are not safe in the hands of Sri M. Veerappa Moily. If the same trend continues further, eventually there will be ruination of the finances of this State. I am not making these statements in any light hearted way. I have sufficiently thought over this matter and tried to inform myself of the submissions that I should make and only after bestowing serious consideration and due deliberation over it, I have made these statements. What is the upper limit of this amount? The Hon. Finance Minister must be able to answer. For all these reasons, I emphatically oppose this Bill and if Sri Veerappa Moily is left with any sense of responsibility in managing the finances of the State, he must gracefully withdraw this Bill.

SRI K. H. SRINIVAS (Shimoga).—Mr. Speaker Sir, in support of what has already been said by my learned friend Sri A. Lakshmisagar I rise to oppose this Bill and would like to draw the attention, through you sir, of the Hon. Finance Minister and Hon. Members of this August House to certain valid aspects connected with this Bill which apparently looks very innocent one. After all, the Bill seeks only to enhance the corpus of the contingency fund from Rs. 20 Crores to Rs. 35 Crores.

At the outset, I do agree that it is a very very innocent proposal.

ಭೇರೈನ್.—ನೀವು ಕನ್ನಡದಲ್ಲಿ ಚೆನ್ನಾಗಿ ಮಾತನಾಡುತ್ತೀರಲ್ಲ, ಆದ್ದರಿಂದ, ಕನ್ನಡದಲ್ಲಿ ಮಾತನಾಡಿ.

SRI K. H. SRINIVAS.—The Rule does not permit me Now to switch over to the other language. Sir, once a Member starts Speaking in a particular language, he has got to continue in that Language only.

ಶ್ರೀ ಪಂಪಾಪತಿ.—ಕನ್ನಡದಲ್ಲಿ ಮಾತನಾಡಿದರೆ ಎಲ್ಲ ಜನರಿಗೂ ಚೆನ್ನಾಗಿ ತಿಳಿಯುತ್ತದೆ ಅಲ್ಲದೆ ಆಡಳಿತ ಭಾಷೆ ಕನ್ನಡ ಆಗಿರುವುದರಿಂದ ಅದಕ್ಕೆ ಗೌರವ ಸೂಚಿಸಿದಂತಾಗುತ್ತದೆ.

SRI K. H. SRINIVAS.—Invariably, I do speak in Kannada only. Very occasionally, I speak in English and having started with that language, let me do justice to that also.

ಛೇರೈನ್.—ಅವರು ಹೇಳಿದ ಹಾಗೆ ರೂಲ್ಸ್ ಏನು ಹೇಳುತ್ತದೆಂದರೆ, ಯಾವ ಭಾಷೆಯಲ್ಲಿ ಭಾಷಣವನ್ನು ಪ್ರಾರಂಭ ಮಾಡುತ್ತಾರೋ ಅದೇ ಭಾಷೆಯಲ್ಲಿ ಕೊನೆಯವರೆಗೆ ಮಾತನಾಡಬೇಕೆಂದು ಹೇಳುತ್ತದೆ. ಮುಂದಿನ ಸಾರಿ ತಿದ್ದಿಕೊಂಡು ಮಾತನಾಡುತ್ತಾರೆ.

† **SRI K. H. SRINIVAS.**—Sir, I was saying that the Bill puts forward just an innocent proposal of enhancing the corpus of the contingency fund. It has got deeper implications which are to be taken cognizance of by this House. There are three to four important dimensions which are not only important for this House, but they are of special importance to the Hon. Finance Minister, who has got to preside over the finances of the State.

The first and foremost dimension is that of the financial discipline. We do not have a correct idea of what has got into the finances of the State at this juncture. I do not venture to make any allegations of mishandling or any such thing at present. I do not wish to be uncharitable to the Government or to the Hon. Finance Minister in making allegations at this juncture. But, one thing has been very clear by way of an impression in our minds. Having seen this regime for the past one year, the way in which spot decisions involving huge commitments of expenditure on the part of the Government are taken not only by the Hon. Chief Minister but also by other Ministers, conveys an impression that the Finance Department of the State has been like that of a hijacked plane. This is an apprehension and impression and I would be very glad if my friend Sri M. Veerappa Moily were to review this and assure us that such thing is not going to happen. The way in which spot decisions were taken committing Government to lakhs and lakhs of rupees seems as though there is no sense of financial discipline at all. I know it is very difficult. After all, as the saying goes 'Charity begins at home' the discipline also should begin, so far as the governmental expenditure is concerned, right from the Finance Department itself. Similarly, the Finance Department should never act in such a way that it would endanger the financial discipline of the government departments. I have seen in the papers about the Circulars issued by the Finance Department. But, if they are treated as just routine

circulars which are never taken seriously by the spending departments certainly the Finance Department will not be worthy. So first of all, one of the cardinal principles of driving towards the financial discipline would be to limit the Contingent Expenditure. After all, the very word 'contingent' has its own meaning and limitation. We should not make an Ass of a word and drag this way, that way or every possible way. Contingency means certainly it has got a definite meaning and if I remember the Constitutional provision correctly, it only uses the words 'unforeseen expenditure' and these 'new services'. The phrase has been evolved here for a period of time, to give meaning to what is meant by unforeseen. So, lest the government department should brand anything as an unforeseen thing, it has been sought to be limited in defining what is meant by new services and also passing Government Order to that effect.

5-00 P.M.

No less a body than the Public Accounts Committee of this House has gone into this in elaborate detail and has made recommendations and on the basis of the observations and recommendations made by the Public Accounts Committee, Government order has been issued on this issue. We would like to be assured by the Finance Minister that this Government Order which describes as to what is meant by new services has been strictly adhered to by the departments. That must be assured. Another very important dimension, the most important control that this House has on the expenditure, is its power to sanction finances. Sir, the Government has got its majority and it can certainly get the Finance Bills approved by this House. Sir, in a party system of Government, the Government should come before this House along with the Bill under the Constitutional provisions so that whosoever wants, can demand certain explanation from the Government and know what exactly is happening. The Hon'ble Chief Minister, when we met last year had said that the Assembly would be convened somewhere in November or at the end of October. The Assembly was never convened and it was convened when there were hardly three days to the expiry of the Constitutional obligation. If the enhancement of the corpus of the contingency fund is a veiled attempt to erode the accountability and responsibility of the executive to the legislature, then certainly on principle, this Bill will have to be stoutly opposed.

SRI A. LAKSHMISAGAR.—I would like to amend. It is not a veiled attempt. It is a direct attempt.

SRI K. H. SRINIVAS.—This is not just a question of objecting to the present Finance Minister of this Government. You may be

personally in the Government or somebody else may be in the Government. That is not the question. But the basic framework of our function will have to be kept in tact and sanctity of that should not be done away with for timely advantage. Only this year the new Government had come into existence and I can understand that they had some difficulties and therefore without meaning any disrespect to this House, they were unable to convene the Legislature. So, they had to make some expenditure and to that extent I can certainly give a margin. But do not make it as a permanent feature. You can only get the sanction of this Legislature for the expenditure you have incurred. But leave the Corpus at 20 Crores so that let it act as a discipline on the Finance Department hereby helping the Finance Department to discipline other departments also. I do not want to quote just the individual cases here because that is not our duty, our concern, at the moment. But the Government should not convey an impression as though it has no other commitments and can do and undo things as it fancies. There is no business to commit the Government to huge expenditure on the spot. I do not object to Government's taking considered decisions on the spot. If the Chief Minister were to do it, it will be the duty of the Finance Minister to suitably tell the Chief Minister that it should not be done. Whether the Chief Minister, Finance Minister or the entire Government, it has got its own powers and in a democratic setup, it has got its own limits and these limits are there for the good of the country and the people and it should not be unnecessarily flouted. I can understand a real contingency wherein a real un-pleasant things happens especially when tragedies happen and in such cases the Ministers should come out with decisions. It is only for such things that they should use this external power which is not vested in the Government. But day in and day out, if the Government were to go on announcing expenses without consulting or soliciting necessary proposals from the respective departments, then certainly it is going to endanger the finance discipline of the state. This year the finance position may be sound. But do not be complacent because that might not have physically endangered the finances of the state particularly this year. But once this trend begins, ultimately it is going to endanger not only the finance discipline but also the working of all departments. So our main apprehension is that Sri Moily's style has been thrown off the gear without taking into account the finance requirements of the discipline which has got permanent value so far as this House, State Government and the people are concerned. I once again just appeal to the Finance Minister that for the expenditure he has already incurred, we would only like to know as to why such a huge amount was spent and on what items such huge

funds were drawn from the contingency fund. We cannot do anything for the expenditure already incurred. The explanation offered for having promulgated ordinance is that the Legislature was not in session. In fact, the legislature should have been convened. So, we can ask that very basic question that why the legislature was not convened. If you think that this sort of explanation is tenable, then the Government need not call for the session of the legislature at all; they can postpone it and they can call it just as a proforma business and asking the party members to just raise their hands. Such an attitude creates lot of apprehensions in our minds which are valid, which should be taken into account by the Government. So, such an explanation will not satisfy us. But they have made this explanation and we agree that this must be regularised. I would appeal that the Finance Minister may agree to leave the corpus at 20 Crores only.

† SRI V. V. PATTAR (Jamakhandi).—Sir, I have heard with a rapt attention the survey of the Contingency Fund made by hon. Member Sri Lakshmisagar. He is explicit in saying that it has been increasing from year to year, from the year 1950 onwards. You have to see the reason why the previous Government also was constrained to increase this fund on and often year to year. We may find this reason. The responsibilities and the duties of the State are increasing day by day. Almost, the State is to assume a fatherly position in the administration of the Country. Therefore, when we are assuming more and more duties and responsibilities towards the teeming millions of the people and towards the State, it is but necessary that we can have more items of unexpected and unforeseen items of unexpected and unforeseen items on which Government is constrained to spend and create a more corpus of the contingency fund. Just he told us that we had spent about Rs. 2 crores on the Helicopter. But Sir, however, the previous Government itself, to which myself and also Mr. Srinivas were a party, thought that Helicopter is a necessity for the State. So, that item might have been included in the Contingency Fund. I am telling hereby that the spending on the helicopter is not a luxury from one point of view because I would say.....

SRI K. H. SRINIVAS.—If the hon. Member yields for a minute. ..

SRI V. V. PATTAR.—No. I am not. You have got your opportunity. Just I will finish and then you can speak.

SRI K. H. SRINIVAS.—I cannot demand any explanation. I just wanted to bring one point because by way of clarification, if you have not understood us properly. We are not against any expenditure as

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such now. This is not the time to speak about the propriety or the impropriety of any particular expenditure including that of the helicopter. The only thing is the way in which the Government expenditure is to be channelised. That is all the question here. We have not commented on the merits. So, you also need not labour on that point.

SRI V. V. PATTAR.—So Sir, the time of the Chief Minister is very precious and valuable and if he wants to spend hours and days together for going to a particular place and coming over here without.....

MR. CHAIRMAN.—It was hon. Member Lakshmisagar, if you remember properly, who made reference to this item of expenditure and not Sri K. H. Srinivas. You are referring to Sri Srinivas as the person who spoke.

SRI V. V. PATTAR.—I know Sir. Sri Lakshmisagar has also made a reference. Therefore, I say, that spending on a helicopter for urgent work, which cuts the time short and also saves the time for the Chief Minister to look to the administration, it is not an extravagant item and an useless expenditure. Secondly, what I am putting forth before this August House is that the vagaries of nature are often coming to our State. We do not know what happens at what time. The State will have to give its attention and will have to pay the compensation and will have to take care of so many things. Therefore, the previous Governments were also made to expand the corpus of the expenditure on the Contingency. Therefore, I am just putting before you that Sri Veerappa Moily, hon. Finance Minister, has handled the economy of the State very nicely and I am surprised on the other day, when he said that he had taken any consolidated funds for the expenditure of the State. It is stupendous. Really it is a good handling of the economic affairs of this State by Sri Moily. I must complement him. I approve this Bill whole heartedly.

SRI M. VEERAPPA MOILY.—Mr. Speaker Sir, the Bill has been brought in order to facilitate the Government from the experience that we had and the previous Governments had, they have suffered for want of the contingency funds which can be used for the purpose of meeting the unforeseen expenditure which may occur because of the new services. Article 267 of the Constitution of India provides for this provision of the corpus of the Contingency Fund. In fact, if we just go through the Article 205 which says :

“if the amount authorised by any law made in accordance with the provisions of article 204 to be expended for a particular service for the current financial year is found to

be insufficient for the purposes of that year or when a need has arisen during the current financial year for supplementary or additional expenditure upon some new service not contemplated in the annual financial statement for that year."

So, I am sorry for the lack of intelligence on the part of Sri Lakshmisagar.

(Interruption)

SRI A. LAKSHMISAGAR.—I am prepared to take any... ..

SRI M. VEERAPPA MOILY.—I am not yielding.

CHAIRMAN.—Unless the Hon. Minister yields, I cannot help.

SRI A. LAKSHMISAGAR.—All that I said was, there was no mention of new services under Article 269. That is what I said as the reading goes.

SRI M. VEERAPPA MOILY.—Let us have a fair debate. Why should we have an unfair debate? So, the Constitution itself has provided new services. After all, even the Government Order of 1969, which is the result of the Report of the Public Accounts Committee, it has been strictly adhered to. Now, of course I very well understand, as rightly put by Hon. Member Sri K.H. Srinivas, what is objected by him is the increase in the corpus of the fund. It is not as if we suspiciously or surreptitiously come forward with the Bill or take away the money under the Contingency. We are coming forth as far as the items of expenditure are concerned. The Government is coming forward with the Supplementary Budget, when all these items will be included and the money is recouped. Not that Rs. 35 crores for a year remains constant. But what is our previous experience? And of course, it is good that the concept of the Contingency Fund has been debated very well here. At least in terms of academic discussion, I welcome this discussion because I think, we are all educated on it. I must thank Sri Lakshmisagar that he has debated well, as far as the contingency fund is concerned, the necessity of it, and the vigilance which the Legislature has to exercise.

SRI K. H. SRINIVAS.—He is a Professor.

SRI M. VEERAPPA MOILY.—I was not a student unfortunately. I will just give in brief our experience. In 1977-78 as against the normal balance of fund, there was Rs. 20 Crores. In that year the expenditure was under the new services and the unforeseen expenditure was Rs. 33.04 crores. In 1978-79 it was 19.50 crores. In 1979-80, it was 22.20 crores. In 1980-80, 31 crores. It is not exactly that

this year we have reached the all-time height. It is not correct. It is not as if Moily has become the Finance Minister or our Government has taken over charge and something has happened which is unforeseen and something extraordinary has happened. It is not so. This is the experience. This is the background. Now let us see the expenditure both on plan and non-plan side. If you have the analysis of the proportionate increase in the budget — both on plan and non-plan side, with reference to the contingency fund which has been provided year to year, you will very well appreciate that the increase in the corpus of the fund which has been contemplated in the Bill is not disproportionate. In 1972 the budget was Rs. 375.96 crores, both plan and non-plan. In 1976, Rs. 735.82 crores; in 1980-81, Rs. 1,226.17 crores. So, in 1972, of course, right now I do not have the figures — in course of only eight years, Mr. Speaker, it has increased from Rs. 375.96 crores to 1,226.17 crores. That is, every year we have always been around or much above the corpus which was in existence as far as the new services and the unforeseen expenditure are concerned. The Corpus of the fund was increased from Rs. 5 crores to Rs. 10 crores in 1972. From Rs. 10 crores to Rs. 20 crores in 1976. I am not just telling that what the previous Finance Minister were doing is wrong. They have also increased the corpus of the contingency fund after gaining the experience. And it has been fully backed by the experience they had in the previous years. So, in 1977-78 and 1979-80, the Corpus of the fund was temporarily increased by 15 crores and Rs. 5 crores respectively by issue of ordinance. In fact, occasions had arisen to increase the corpus. It is not as if, we have to blame the previous Government. Such an increase was inevitable. As far as the increase of the corpus is concerned, nobody can escape from this unnecessary evil.

SRI K.H. SRINIVAS.—We certainly see that this has almost become a pattern of Government whether this Government or that Government whatever it may be. But we would very much like that such pattern be just not allowed.....

SRI M. VEERAPPA MOILY.—I appreciate that. I will come back to the point later. But what has happened, Mr. Speaker, is every time we want to increase the Corpus because that has happened all these years. Even in 1977-78, we approached the Governor for issue of ordinance for increase of the corpus and subsequently, naturally when supplementary budget comes, we felt that there is no occasion or no scope for introducing the Bill in the House. But I personally feel that when we approach the Governor with an ordinance, of course, inevitably we promise him that we would bring a Bill and enact it. I do not think it is a healthy practice. When we bring an ordinance

and such an ordinance or a Bill or an enactment is quite essential in the circumstances, inevitably we will have to bring in a Bill. This has been the experience every all these years right from the inception of, the Governments that came into existence in this State or any other State. If I had not brought this Bill at all, as Mr. K.H. Srinivas put it, I could have rather allowed this to lapse. But as a true democrat who has got faith in this legislature, I thought that I should not walk away with the ordinance and allow it to lapse or do not bring it to this august House and not allow this House to have its say. Of course, it is for the House to pass it or not. But my duty as the Finance Minister is to bring in this and explain to this House that this is the experience all these years and right from the Governments come into existence in the State and say that this should be the corpus for a year. After all the creation of corpus will not make it show that we are just trying to keep money surreptitiously.

SRI K.H. SRINIVAS.—This should not create animus in the minds of other departments.

SRI A. LAKSHMISAGAR.—Sir, why this later exercise? He can as well convene a session of the legislature and get supplementary demand passed.

CHAIRMAN.—Why don't you allow him to have his say?

SRI A. LAKSHMISAGAR.—Any how while answering, he could answer this point also.

CHAIRMAN.—Kindly don't interrupt him.

SRI M. VEERAPPA MOLLY.—So, looking upon the experience of all these years, we thought it prudent, as a responsible person, in-charge of certain affairs of this Government for the proper governance of this state, that the Corpus will have to be increased.

(MR. SPEAKER in the Chair)

Naturally we will have to bring in supplementary budget and the vote of the House will have to be obtained for every item of expenditure which is incurred in this behalf. Mr. Speaker, of course, I need not say much about the items of expenditure but at the same time, there are certain items which I have already highlighted with regard to farmers' agitation. Of course, we have not foreseen that there will be farmers' agitation. We could not anticipate this farmers' agitation, as a result of which we had to give some money.

5-30 P.M.

I think you will have no objection for having made this expenditure. Of course, I do not think that a progressive man like Sri Lakshmisagar will mind it. If we waited for the next budget to give concession to the farmers, the position would have cost more. The hon. member said why did we go on raising the corpus of the fund now and then. We should have called a session of the Assembly, and got the supplementary demand passed.

As far as the Mysore Paper Mill is concerned, it is a prestigious project, in the entire Asia, not in the country or in the State alone. We have a bilateral agreement with I.D.B.I, and we have to honour it. The factory will have to be commissioned as per schedule. We are put in such a situation, that we have to spend. Otherwise it would have cost us more for the project which is prestigious. We could not forego this industry in public sector and wait for the next budget to provide for the money. It was inevitable, it was unforeseen and it has got to be implemented.

Another point is levy sugar. After all, it is the commitment for the Government of India. As you know, because of the High Court order we had to spend the money, we had to pay back the difference as far as the price of the sugar is concerned. After all we cannot charge the consumer as far as sugar is concerned. It is not covered in the budget estimates. We cannot deprive the weaker sections, who are waiting for the ration sugar, the levy sugar. Like this I can cite a lot of examples which are quite unforeseen.

Of course, certain items have been narrated like the Chowdaiah Memorial Hall. I am very sorry again to say for the lack of knowledge. For the Chowdaiah Memorial Hall, we have not made anything in the current financial year. What would have done is to convert and we have not incurred that expenditure in this financial year.

As far as the helicopter is concerned, again it would have been better if, Sri Lakshmisagar had done some excellent home work. Today except for the academic presentation, that home work is not satisfactory.

SRI A. LAKSHMISAGAR.—Sir, I had put Short Notice Question. I thought I would get information. I have to depend on my information and example.

SRI M. VEERAPPA MOLLY.—As far as the expenditure with regard to the helicopter is concerned it has been included in the budget. We have not taken anything from the corpus of the contingency fund in this year. So, these are mainly two items.

SRI A. LAKSHMISAGAR.—I do not know the other items of expenditure. He mentioned only farmers' agitation, Mysore Paper Mills and subsidy budget as a result of High Court judgement.

ಅಧ್ಯಕ್ಷರು.—ಐಟಿಎಂ ಬರುವುದಾದರೆ ಬಡ್ಡೆಟ್ಟಿನಲ್ಲಿ ಸೇರಿಸುತ್ತಾರೆ.

SRI A. LAKSHMISAGAR.—I mentioned the items of the expenditure incurred on new services. He said nothing. What action has been done? He also mentioned two to three other items of expenditure which, in his opinion, are new services. Alright. What are the other items? What is the total amount on Mysore Paper Mills and farmers' agitation subsidy? What are the other main items of expenditure? ಅದನ್ನು ಹೇಳಿ, ಮಿಕ್ಕ ವಿಚಾರಕ್ಕೆ ನಾನು ಆಮೇಲೆ ಬರುತ್ತೇನೆ.

SRI K. BHASKAR NAIDU.—Is the Government spending money for farmers' agitation?

SRI A. LAKSHMISAGAR.—Money expended by the Government as a result of farmers' agitation.

SRI K. BHASKAR NAIDU.—I thought the Government is spending money on farmers' agitation.

SRI A. LAKSHMISAGAR.—If they are doing it, I am very happy.

SRI M. VEERAPPA MOILY.—For Mysore Paper Mills, we have given Rs. 5. crores.

MR. SPEAKER.—The Supplementary Demand will come before the House, when you can discuss. We will approve this now. It is only to spend the money during the contingency.

SRI K. H. SRINIVAS.—I think he is interested to know if there is any interesting point.

ಶ್ರೀ ಎಂ. ವೀರಪ್ಪ ಮೊಯಿಲಿ.—ರಜತ ಪರದೆಯ ಮೇಲೆ ನೋಡಬಹುದು.

ಶ್ರೀ ಎ. ಲಕ್ಷ್ಮೀಸಾಗರ್.—ಸಬ್ಸಿಡಿ ಮಂಟರಿ ಡಿಮಾಂಡ್‌ನಲ್ಲಿ ಬಂದೇ ಬರಬೇಕಾಗುತ್ತದೆ. ಬರದೇ ಇರುವುದಕ್ಕೆ ಸಾಧ್ಯವಿಲ್ಲ. ಆಗ ರಂಗಸ್ಥಳದಲ್ಲಿ ಏನೇನು ಆಗಬೇಕು ಆಗ ಯೋಚನೆ ಮಾಡೋಣ. ನಾವು ಏನೂ ಮಾಡಿಲ್ಲ ಎಂದು ೨-೩ ವಿಷಯಗಳನ್ನು ಪ್ರಸ್ತಾಪ ಮಾಡಿದರೇ ಹೊರತು ಮಿಕ್ಕ ಐಟಿಎಂ ಹೇಳುತ್ತಿಲ್ಲ. ಮಿಕ್ಕ ಐಟಿಎಂ ಯಾವುದು ಎಂದು ಕೇಳುತ್ತಿದ್ದೇವೆ.

ಅಧ್ಯಕ್ಷರು.—೨೦ ಕೋಟಿ ರೂಪಾಯಿ ಯಾವಾಗ ಆಗಿದೆ.

SRI M. VEERAPPA MOILY.—In 1976, it was Rs. 20 crores. We are increasing it to Rs. 35 crores in 1981. The other day the Leader of the Opposition was telling that "Why not we make more savings from other services"? These savings cannot be done. The savings in the other Departments cannot be appropriated for the new services or for un-foreseen expenditure. So, Speaker sir, the enhancement of the corpus is quite inevitable and it is not a thing that our Government has resorted to all of a sudden for a purpose which is not known

to financial discipline of the State. Of course, Sri Lakshmisagar wanted to know much about the management or the monitoring of the financial discipline. I think, we have managed the financial affairs of the State to the best of our ability. I know he is trying to tempt me to speak. I want to speak on the budget, because this is not a thing which can be argued by speeches or he can condemn me by speech. It has got to be shown by the performance. If he says that we are not improving the State and the performance of the Government is not good. I am sorry for his knowledge. If he wants me to convince I think he will have to wait for a few days more to be convinced, about how our Government after assuming the charge in the State have managed the finances of the State well. We have full control over the finances and the State of affairs of the State.

SRI A. LAKSHMISAGAR.—The proof of the pudding is in eating. Let us see what is in store for us.

SRI M. VEERAPPA MOILY.—Unfortunately, all people are not getting the taste of the pudding. Some people cannot have it because they have some allergy.

SRI A. LAKSHMISAGAR.—I would like all the pudding...

SRI M. VEERAPPA MOILY.—There are certain category of people who are devoid of and who do not want to say anything except this. So this is an inevitable exercise and after all it is in tune with the best traditions of the Legislature procedure and with the best traditions of Constitutional procedure. I was not prepared to play fraud on the Constitution by making the Ordinance to lapse, because the Ordinance issued by the Head of the State will have to be properly appreciated and just to take certain temporary advantages I should not make it lapse. If I do not want to introduce this Bill in this House and get it passed, naturally nothing would have happened to me. Of course I could have walked out graciously even without hearing some uncharitable criticism made by Sri A. Lakshmisagar. I could have walked away, but I thought that I must present this Bill. We are yet to see a Finance Minister who can manage the affairs of the State without any contingency fund. Of course, we do not have a Finance Minister in the State of the standard which is contemplated by Sri A. Lakshmisagar. I do not know when he becomes a Finance Minister he will introduce a new system, new strategy so that he will manage the State without recourse to any temporary phenomenon like availing money from the corpus of the contingency fund. After all we are accountable to this House for whatever expenditure, which will definitely come for voting and debating and enhancement of the

corpus of the contingency fund. According to the experience available in the State all these years, it is inevitable and I therefore, request this House to vote for this Bill.

SRI A. LAKSHMISAGAR.—I want a clarification. I refer to a Government Order issued in the matter of adherence to the spending of moneys on new services. I want to know from the Hon'ble Minister categorically whether that G. O. has been followed in the matter of expenditure on new services.

SRI M. VEERAPPA MOILY.—I have already said that the letter and the spirit of the G. O. of 1969 has been implicitly followed by the Government.

MR. SPEAKER.—Now I will put the consideration Motion to vote. The question is :

“That the Karnataka Contingency Fund (Amendment) Bill, 1981 be taken into consideration.”

The Motion was adopted.

Clause by clause Consideration

CLAUSES 2 AND 3

MR. SPEAKER.—Since there are no amendments, I will put Clauses 2 and 3 to vote. The question is:

“That Clauses 2 and 3 do stand part of the Bill.”

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

CLAUSE 1, etc,

MR. SPEAKER.—The question is.

“That Clauses 1, the Long Title, the Preamble and the enacting formula do stand part of the Bill.”

The Motion was adopted.

Clause 1, the Long Title, the Preamble and the enacting Formula were added to the Bill.

Motion to pass.

SRI M. VEERAPPA MOILY (Hon'ble Minister for Finance):—Sir, I beg to move :

“That the Karnataka Contingency Fund (Amendment) Bill, 1981, be passed.

MR SPEAKER.—The question is.

“That the Karnataka Contingency Fund (Amendment) Bill, 1981 be passed.”

The motion was adopted and the Bill was passed.

The Karnataka Municipalities (Amendment) Bill, 1981.

SRI DHARAM SINGH (Minister for Housing and Urban Development),—Sir, I beg to move.

“that the Karnataka Municipalities (Amendment) Bill, 1981 be taken into consideration.”

The question was proposed.

ಶ್ರೀ ಧರ್ಮಸಿಂಗ್.—ಮಾನ್ಯ ಅಧ್ಯಕ್ಷರೆ, ಈಗಾಗಲೇ ಸಾವು ಕಾರ್ಪೊರೇಷನ್‌ಗೆ ಸಂಬಂಧಪಟ್ಟಂತೆ ಇಂಥಾದ್ದೇ ಒಂದು ಅಮೆಂಡ್‌ಮೆಂಟ್‌ನ್ನು ತಂದಿದ್ದೇವೆ. ಎಲ್ಲಾ ಮುನಿಸಿಪಾಲಿಟಿಗಳಲ್ಲಿ ಮತ್ತು ಕಾರ್ಪೊರೇಷನ್‌ನಲ್ಲಿ ವಸೂಲಾಗತಕ್ಕ ಒಟ್ಟು ಹಣದಲ್ಲಿ ೧೮ ಪರ್ಸೆಂಟ್ ಹಣವನ್ನು ಪೆಡ್‌ಯಾಲ್ ಕ್ಯಾಸ್ಸ್ ಮತ್ತು ಪೆಡ್‌ಯಾಲ್ ಟ್ರೈಬಸ್‌ನವರಿಗೆ ಖರ್ಚುಮಾಡಬೇಕೆಂದಿದ್ದರೂ, ಇನ್ನೂ ಅನೇಕ ಕಡೆಗಳಲ್ಲಿ ಈ ರೀತಿ ೧೮ ಪರ್ಸೆಂಟ್ ಹಣವನ್ನು ಖರ್ಚುಮಾಡುತ್ತಿಲ್ಲವೆಂದು ಸರ್ಕಾರದ ಗಮನಕ್ಕೆ ಬಂದಿದೆ. ಟಿ.ಡಿ.ಬಿ.ಗಳಲ್ಲಿ, ಮುನಿಸಿಪಾಲಿಟಿಗಳಲ್ಲಿ, ಕಾರ್ಪೊರೇಷನ್‌ಗಳಲ್ಲಿ ಯಾವರೀತಿ ಹೆಲ್ತ್ ಕಮಿಟಿ, ಪೈಲಾನಾಸ್ ಕಮಿಟಿ ಎಂದು ಇರುತ್ತವೋ ಅದೇ ರೀತಿ ಒಂದು ಸೋಷಿಯಲ್ ಜುಸ್ಟೀಸ್ ಕಮಿಟಿ ಇರಬೇಕೆಂದು ಈ ಒಂದು ತಿದ್ದುಪಡಿ ಯನ್ನು ಸಭೆಯ ಮುಂದೆ ತಂದಿದ್ದೇವೆ. ಇದನ್ನು ಮಾನ್ಯ ಸಭೆಯು ಸರ್ವಾನುಮತದಿಂದ ಒಪ್ಪಬೇಕೆಂದು ಕೇಳಿಕೊಳ್ಳುತ್ತೇನೆ.

SRI A. LAKSHMISAGAR (Chickpet).—Mr. Speaker, Sir, under the Municipalities Act and also under the Corporations Act of 1976 there are various standing committees. These standing committees have been assigned with certain functions and they are expected to carry out those functions. I am making this submission in the context of my experience as a member of the Bangalore City Municipal Corporation for a term. Now, from out of the revenues of the local bodies, to the extent of 18% on Scheduled Castes and Scheduled Tribes to be spent and that the municipalities have been directed to do so. Now for that purpose, in order to give meaning and content of incurring expenditure of 18% specifically for the welfare of the Scheduled Castes and Scheduled Tribes the Committee is thought of, and it is being added to the list of standing committees in the local bodies. This is the context in which this is thought of and the Bill is before us. Now this Committee is a social justice committee. Then what are the other Committees doing? Are they not doing social justice? Mr. Speaker, sir, what is the function of other committees? The totality of functions of the standing committees is also social justice. The entire fulcrum upon which we are function-